BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

Labour income

- **Labour income (wages, salaries and benefits) in British Columbia increased 3.3% during 1997.** The increase was half a percentage point below the national average (3.8%). Wages and salaries rose in most parts of the country, increasing in every region except PEI (-7.8%) and Newfoundland (-2.5%). Labour income growth in the rest of the country ranged from a low of 2.1% in NWT to 6.4% in Alberta. Wages and salaries account for about 90% of total labour income.

  Source: Statistics Canada

Hourly wages

- **The average hourly wage rate for unionized workers in BC was $20.12 in 1997.** Non-union workers earned an average hourly wage of $15.11, giving the province an overall average wage of $16.95 per hour. The Canadian average hourly wage was $15.60 hourly–$18.53 for unionized workers and $14.10 for non-unionized employees. *Source: SC, Labour Force Survey*

- **Young people (aged 15–24) in BC earned an average hourly wage of $10.24 in 1997**. They had the highest hourly earnings in the country. The national average was $8.92 per hour, with wage rates for youth in the rest of Canada ranging from $7.06 in Newfoundland to $9.08 per hour in Ontario. *Source: SC, Labour Force Survey*

Employment in Small Businesses

- **The number of British Columbians employed in small businesses remained virtually unchanged in 1997.** There were 569,000 people working in businesses with fewer than 50 employees last year, compared to 568,000 in 1996. Employment in small businesses increased significantly during the early part of this decade, but has shown little growth since 1995. However, self-employment has increased.

  Source: Statistics Canada

Consumer and Business Bankruptcies

- **Business bankruptcies declined for the second straight year in 1997.** There were 895 business bankruptcies in BC last year, 5.6% less than in 1996. Business bankruptcies were down in most parts of the country, falling 14.4% at the national level. *Source: Industry Canada*

- **There were 7,366 consumer bankruptcies in British Columbia last year**. This was 14.4% more than in 1996. Canadian consumer bankruptcies increased 7.1% in 1997, to 85,297. Consumer bankrupcties were up in most parts of the country. Alberta (-0.2%) was the only province where bankruptcies declined. Saskatchewan (+0.1%) and Manitoba (+0.8%) recorded modest increases.

  Consumer bankruptcies in all parts of the country have been on an upturn in recent years, as rising personal debt loads have led to an increase in the number of Canadians who are unable to meet their financial obligations.

  Source: Industry Canada

Building Permits

- **The value of building permits issued by BC municipalities fell 7.3% (seasonally adjusted) between December and January.** The decline was due to a 33.3% drop in the value of planned non-residential construction projects in the province. Residential construction intentions were up 21.6% from the previous month.

  Building permits also declined at the national level, decreasing 9.9% in January. Non-residential permits were down 19.5%, but residential construction intentions also

Report **Air freight takes off** ✈

Did you know...?

Private road tractor carriers in BC logged 41 million kilometres (travelling an average distance of 102,679 kilometres each) on the road in 1996. That's the equivalent of 1,035 trips around the equator.

dropped below the December level (-1.3%). The decrease in planned construction activity was widespread among the provinces. Newfoundland (+74.2%), Manitoba (+52.4%) and New Brunswick (+15.4%) were the only provinces where the value of building permits increased in January. *Source: Statistics Canada*

Department store sales

- **Department store sales in British Columbia and the north were 6.6% higher in January than in the same month of 1997.** The increase was the lowest in the country. Quebec (6.9%) was the only other region where sales growth was below ten percent. Canadian department store sales were up 12.3% from January 1997, with increases in the rest of the country ranging from 12.7% in Nova Scotia to 22.8% in Alberta.

  Source: Statistics Canada

Port of Vancouver

- **The Port of Vancouver set a record for total tonnage handled during 1997.** The port handled 73.5 million tonnes of cargo last year, up 2% from the 72.0 million tonnes handled in 1996. Bulk cargo (such as coal and grain) accounted for the largest share of the total tonnage handled by the port, totalling 62.3 million tonnes, 2% more than in 1996. There was a 17% increase in container traffic through the port.

  Source: Port of Vancouver

Education

- **Grade eight math students in British Columbia received an average score of 63% on an international mathematics test in 1995.** This put BC students in seventh place among students from 41 different countries. Students in four other provinces for which results were reported had lower average scores: 61% in Alberta, 56% in Newfoundland, and 54% in both Ontario and New Brunswick. The Canadian average score was 59%. Grade 8 students from Singapore registered the highest average score (79%), while South African students had the poorest performance (24%).

  Source: SC, Catalogue 81-003-XPB

- **Seventy-five percent of Canadian math teachers, and 68% of science teachers, reported that grade 8 students have access to calculators.** The Canadian usage rate was among the highest in the study. Over 80% of mathematics teachers reported that they never or almost never use computers in their teaching.

  Source: SC, Catalogue 81-003-XPB

The Nation

- **Canadian economic growth slowed in the fourth quarter of last year.** Real GDP at market prices rose less than one percent for the first time since the end of 1996. The 0.7% (seasonally adjusted) increase brought the nation's annual growth rate for 1997 to 3.8%. The slower growth at the end of the year was due to a moderation of consumer spending and business investment. Consumer purchases of goods and services increased 0.6% after growing 1.3% in the third quarter of last year, and business investment in structures and equipment inched ahead 0.3% following a 3.4% gain in the third quarter. Exports remained strong, growing 2.0%, and imports were up 1.5% from the third quarter. Government spending on goods and services (-0.0%) and fixed capital (-1.9%) remained restrained. *Source: Statistics Canada*

- **The personal sector borrowed 12.3% more funds in 1997 than in the previous year.** The increase in the value of funds raised by individuals and unincorporated businesses was largely due to growth in consumer credit. Consumer credit issued last year rose by a third (34%) to 9.7 billion. Mortgage loans raised last year increased 9.2% to $18.8 billion.

  Source: Statistics Canada

- **The increase in consumer spending, and greater dependence on borrowed funds to finance the expenditures of the personal sector helped contribute to a drop in the savings rate.** Canadians saved only 1.8% of total after-tax income in 1997. This compares to a personal savings rate of about 10% just four years earlier. *Source: Statistics Canada*

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

Infoline Report:

March 6, 1998

Air Freight Services Promoting Export Growth and Diversification

Originally published in November 1997 issue of *Exports*. An annual subscription is $60 + GST

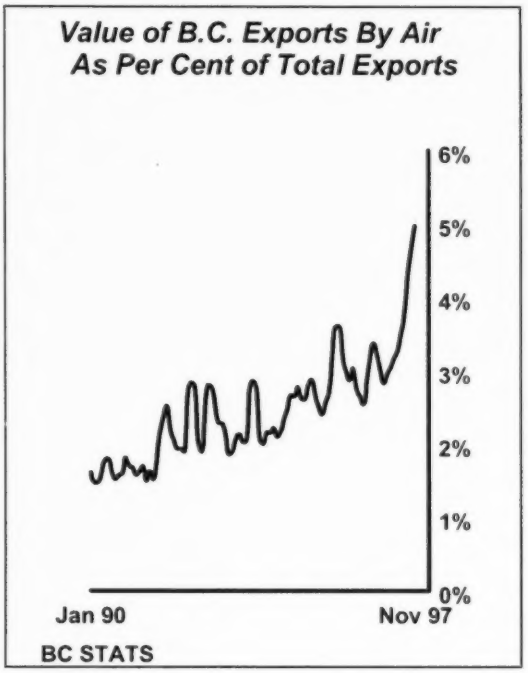
As secondary manufactured products have become a larger part of British Columbia's export mix, they have brought about a growing use of air freight services for export shipping. Air cargo now moves 4 per cent of the total value of provincial exports, up from 1 to 2 per cent at the beginning of the 1990s.

The increased use of air freight for exports from British Columbia has been part of a larger trend across Canada and world-wide. Statistics from Transport Canada record a 35 per cent increase in the volume of Canadian international air cargo traffic from 310 thousand metric tonnes in 1990, to 417 thousand metric tonnes in 1997. It is anticipated that there will be another 11 per cent rise by the year 2000, and a 156 per cent rise by the year 2014.

Boeing, the Seattle based aircraft manufacturer, has projected that the world-wide volume of air cargo shipping will increase by 6.6 per cent annually though 2015.

In British Columbia, the increased use of air freight for export shipping has been largely driven by the province's rapidly expanding electronics industry. Forty per cent of all 1996 provincial exports shipped by air were electronics products. Valued at $310 million in 1996 and $324 in the first eleven months of 1997, electronic goods shipped by air have jumped an estimated 300 per cent since 1990.

The industrial dependence works both ways. The rapidly growing electronics industry in the province has obvious need of air cargo services, both to obtain components from international sources, and to ship assembled products. Forty-two per cent of electronic components clearing Revenue Canada Customs offices in British Columbia were brought in by air in 1996; and 50 per cent by value of all British Columbia produced electronic exports were shipped out by air freight.



Electronic products are not the only exports that rely heavily on air freight services. Others include high value food items, recorded audio/visual products, and precious metals.

Fish products such as geoducks, oysters and salmon accounted for 10 per cent of the total value of air shipped exports in 1996. Agri-food products including ginseng, mushrooms and fresh cranberries accounted for another 5 per cent. Recorded music and films made up another 3 per cent; and gold metal accounted for 6 per cent.

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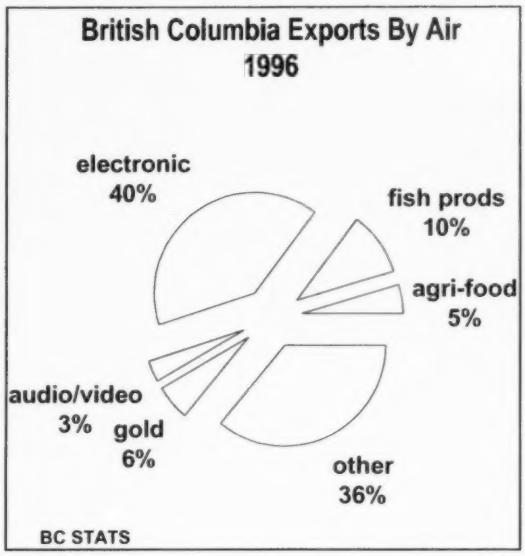

Among the most important destinations for exports shipped by air were the two key Asian entrepot points – Hong Kong and Singapore. Thirty-one per cent of the total value of British Columbia exports to Hong Kong moved by air, and 29 per cent of exports to Singapore. Air cargo was also used extensively for exports to Singapore's South East Asian neighbours, including 8 per cent of exports to both Malaysia and Thailand.

For European trade as well, air freight has been moving a larger portion of the province's exports. Six per cent by value of the province's exports to the European Union were shipped air freight in November year to date last year, up from an average of 4 per cent in both 1996 and 1995. Some European destinations drew much larger percentages of air freighted exports than others. Ten per cent of 1996 British Columbia exports to the Netherlands were shipped by air; 9 per cent of exports to France; 8 per cent of exports to the United Kingdom; and 7 per cent of exports to Germany.

By contrast, only 2 per cent of exports to either the United States or Japan went by air. Although only a small percentage of total exports to these two major trading partners was shipped by air, the volumes were large. Air cargo exports from British Columbia to the United States were worth $293 million in 1996. Those to Japan were valued at $114 million.

Despite a 246 per cent increase in the average monthly value of air freighted exports to all destinations between 1990 and November year to date 1997, British Columbia still lags several other provinces in the use of air freight for international trade.

Quebec, for example, shipped 10 per cent of the total value of its exports by air in 1996, compared to 3 per cent for British Columbia. Quebec made proportionately more use of air freight for its exports than any other province, mainly because of its substantial aircraft manufacturing and electronics industries. These same industries are also important in Ontario, where they accounted for much of the 7 per cent of provincial exports shipped by air in 1996.

Vancouver International Airport the Key

By far most international air cargo shipments entering or leaving British Columbia pass through Vancouver International Airport, where improvements and expansion of air cargo facilities have made possible the rapid growth of air freighted exports during the 1990s. However, even with these improvements, airport authorities feel that much more could be done.

1996 - Exports By Province

	Exports By Air ($ millions)	Exports By Air (%)	Total Exports ($ millions)	Total Exports (%)	Air Freight As Per Cent of Total Exports
BC	775	4.9%	25,682	9.9%	3.0%
Alta	1,032	6.5%	31,580	12.2%	3.3%
Sask	29	0.2%	9,476	3.7%	0.3%
Man	127	0.8%	6,171	2.4%	2.1%
Ont	9,071	57.3%	128,087	49.4%	7.1%
Que	4,552	28.8%	46,959	18.1%	9.7%
NB	26	0.2%	5,383	2.1%	0.5%
NS	176	1.1%	3,115	1.2%	5.7%
PEI	19	0.1%	353	0.1%	5.4%
Nfld	12	0.1%	2,176	0.8%	0.6%
Canada	15,820	100.0%	259,413	100.0%	6.1%

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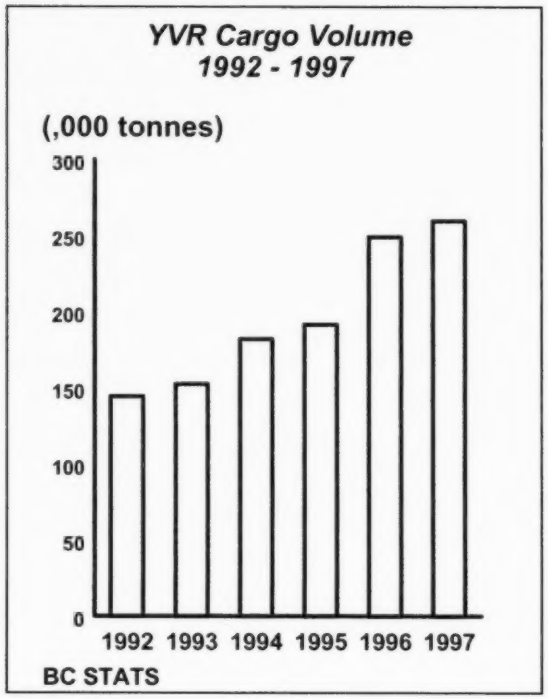

Dr. Michael Tretheway, Vice President Marketing Services for Vancouver International Strategic Services Ltd., comments that, 'air cargo is still underdeveloped in British Columbia and Canada. While YVR (the air industry designation for Vancouver International) has roughly a 20 per cent share of the air passenger market for the west coast of North America, we have less than half that for air cargo.'

He cites regulatory problems, taxes and inadequate road transportation routes around Vancouver International Airport as among the principal reasons for this.

To meet their objective of becoming 'the premier intermodal air cargo gateway between Asia and North America, airport management at YVR aims to double air cargo tonnage to 450,000 tonnes by 2010, an annual growth rate of 5.6 per cent. By that year they also hope to 'provide a full intermodal gateway, linked to the North American Highway network, served by major trucking carriers, and linked to Vancouver's ports for sea-air intermodal services.'

Meeting these targets will be important not only for the airport itself, but also for a host of companies that have become established around the airport and which are dependent on it for their business.

The Vancouver International Airport Authority estimates that their air cargo operations generate an estimated 550 direct jobs, and a further 670 in indirect activities such as warehousing, transportation and other services. With their targeted doubling of air cargo volumes by the year 2010, they expect to support a total of over 3,000 jobs 12 years from now.

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Infoline

March 6, 1998

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BC at a glance . . .

POPULATION (thousands)	Oct 1/97	% change on one year ago
BC	3,943.9	1.9
Canada	30,377.8	1.1
GROSS DOMESTIC PRODUCT		% change on
(BC - at market prices - $ millions)	1996	one year ago
Current Dollars	103,631	1.7
Constant (1986) Dollars	74,001	1.0
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Dec	2,794	-0.9
Merchandise Exports (raw) Dec	2,041	-6.5
Retail Sales (seasonally adjusted) Dec	2,794	9.4
CONSUMER PRICE INDEX		% change on
(all items - 1986=100)	Dec '97	one year ago
BC	139.2	0.4
Canada	137.8	0.7
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jan '98	one year ago
Labour Force - BC	2,005	0.4
Employed - BC	1,818	-1.1
Unemployed - BC	187	16.7
		Jan '97
Unemployment Rate - BC *(percent)*	9.3	8.0
Unemployment Rate - Canada *(percent)*	8.9	9.7
INTEREST RATES (percent)	Mar 4/98	Mar 5/97
Prime Business Rate	6.50	4.75
Conventional Mortgages - 1 year	6.40	5.05
- 5 year	6.85	7.00
US/CANADA EXCHANGE RATE	Mar 4/98	Mar 5/97
(avg. noon spot rate) Cdn $	1.4219	1.3681
US $ *(reciprocal of above rate)*	0.7033	0.7309
AVERAGE WEEKLY EARNINGS		% change on
(industrial aggregate - dollars)	Dec '97	one year ago
BC	615.66	-0.3
Canada	601.62	1.1

SOURCES:
Gross Domestic Product: Statistics Canada, revised by BC STATS
Population, Trade, Prices, Labour Force, Earnings: Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

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- Exports, December 1997
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Next week

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